

Financial Aid Means...

How To Pay For College!

Step 1:

Fill Out Free Application for Federal Student Aid (FAFSA)

- You can request FAFSA application from the college you are planning to attend,
- You can fill out FAFSA on the internet www.fafsa.ed.gov
- You can contact Educational Opportunity Center (406) 265-4141 for help in completing your Financial Aid application on the Internet!

By Completing Free Application for Federal Student Aid (FAFSA)

You are Applying For:

GRANTS:

- **Federal Pell Grant** – Federal money available to students who have not previously earned a Bachelor's Degree (4-year college degree). Federal Pell Grant range from \$400 to \$3,000 a year depending on a student's financial need and enrollment status.
- **Federal Supplemental Educational Opportunity Grant (FSEOG)** – Federal money award ranging from \$300 to \$4,000 a year to qualified students who demonstrate exceptional financial need.
- **Montana Higher Education Grant** – This grant is awarded based on need. The average grant awarded to students in Montana is \$600. The state has approximately \$300,000 in MHEG funds each year to award. Awards are limited to the most needy students.
- **MTAP Baker Grant** – This grant is awarded based on need to students who have earned at least \$2,575 during the previous calendar year. To be eligible to receive a MTAP Baker Grant the student must be enrolled for at least 12 credits, earned the required amount of money from wages, and have an EFC (expected family contribution) index from the results of the FAFSA of 5,800 or less.

WORK-STUDY

- Federal and State work-study is employment at your school that gives you a chance to earn money to help pay for education expenses. Students must demonstrate financial need to participate. Interested students should contact financial aid office at the college they plan to attend.

LOANS - have to be repaid with interest!

For a complete listing and explanation of all loan programs, go to:

Montana Guaranteed Student Loan Program Website @

www.mgslp.state.mt.us/parents/financial_aid.html

- **Perkins Loan Program** – A Perkins loan is a low interest (5%) loan for both undergraduate and graduate students with exceptional financial need. Federal Perkins loans are made through a school's financial aid office. Your school is your lender and the loan is made with government funds.
- **Alternative Loan Programs** – Alternative loans are loans provided by lenders or private institutions above and beyond what the student's Perkins, FFELP, or Direct eligibility may be. Alternative loans offer students additional money, but be watchful of alternative loans making sure to check the terms and conditions carefully. You do not want to get caught paying a high interest rate or making loan payments while you are still in school.

Most school financial aid offices have information on different types of Alternative Loans.

- **Stafford Loan** – can be subsidized or unsubsidized, depending on whether the student demonstrates need. Amounts you may borrow vary, depending on your year in school, your need, or whether the loan is subsidized or unsubsidized. Interest is variable annually, not to exceed 8.25%.
- **Plus Loan** – this is a loan where the parent is the borrower. The loan limit is the cost of attendance less any other financial aid. The interest rate is variable and changes annually but will not exceed 9%.

After completing FAFSA, you will receive PIN number from the Federal Processing center.

SAVE YOUR PIN NUMBER!

Step 2:

Search and Apply For Scholarships

- **Scholarships** are considered gift money to assist a student in financing their higher education. Scholarship money is typically derived from institutional or private financial aid.
- **Contact college that you are planning to attend to find out about scholarship opportunities available for you through their financial aid office!**
- **Contact Educational Opportunity Center (406) 265-4141 to get help searching and applying for scholarships!**
 - **Search for Scholarships on the internet:**
 - **Be sure to check your local sources for scholarships** - your company, your union, foundations, religious groups, town or city civic organizations, clubs you belong to, and colleges you are considering - any or all of these organizations may provide financial help with your education.

When researching scholarship opportunities, BEWARE of scholarship service scams!

For more information contact EOC (406) 265-4141!

Step 3:

Take Advantage of Education Tax Credits

In 1997, Congress passed legislation that created the opportunity for certain students or their parents to obtain a tax credit for tuition and required fees paid to attend college or university. There are two education credits:

- **Hope Credit** - For tuition and fees for the first two years of postsecondary education. You may be able to claim a Hope credit of up to \$1,500 per year for qualified tuition and related expenses paid for each eligible student.
- **Lifetime Learning Credit** - You may be able to claim a lifetime learning credit (amount dependant on income and qualified tuition and related expenses) paid for **all** students enrolled in eligible educational institutions.

If you are employed, ask your employer about tuition reimbursement!